

substantial coin redemption when the bullion came to be delivered at the mint price.¹ This liability to pay in bullion was to continue until May 1, 1823, after which full redemption in coin on demand was to be required. The statutes restricting the trade in gold coin and bullion were repealed and Mr. Pitt's practice of free borrowing from the bank was cut off by an act forbidding advances of any description without the express authority of Parliament. It is probable that the bank would have been able to resume cash payments without authority of legislation, within the time which the act required, but its passage by Parliament did much to educate and crystallize public opinion and to protect the bank during the attacks upon the resumption act which were made within the next few years.

The accumulation of gold in the Bank of England was so rapid that it became possible to pass an act in 1821 permitting full resumption on May 1, 1821. The government repaid ;£ 10,000, and its obligations to the bank and specie payments were resumed in coin at the date fixed by law. The bad harvests and commercial collapse led to several attacks upon the resumption act in Parliament in 1822 and 1823, but they were rejected by large majorities. It was pointed out in the course of the debate that the low price of wheat, which was a great cause of discontent among the agricultural class, could not well be due to the alleged contraction of the currency, for a greater decline had taken place in France, which had been steadily upon a metallic basis, and a like decline in other Continental countries where depreciated paper was still the medium of circulation. The price of wheat at Vienna, in spite of the large volume of the Austrian paper currency, had dropped from 114\$. in March 1817, to *igs. 6d.*, in September, 1819. It was shown also that the amount of currency in England had increased rather than diminished, for the paper issues had not been materially reduced and a large mass of coin had been infused into the circulation. The only concession obtained by the opponents

¹ Levi, 137.